

VISIONS of CAMBODIA

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NEW ROYAL GOVERNMENT'S FIVE-YEAR STRATEGY

Prime Minister Hun Sen announced the Royal Government's five-year strategy, vowing to deepen reforms in all fields to ensure sustainable growth and poverty reduction.

"Reforms are the top priority for Cambodia and the country will continue deepening reforms in all fields in order to increase competitions, to sustain economic growth and to reduce poverty," the premier said at the launching of the government's Rectangular Strategy in Phase III during the first cabinet meeting at the Peace Palace.

He said deep reforms would be focused on legal and judicial reforms, anti-corruption, good governance, and land and forest management.

The strategy set out the government's intention to build the Cambodian society by strengthening peace, stability and social order, promoting sustainable and equitable development, and

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CHINA, CAMBODIA VOW TO ADVANCE BILATERAL STRATEGIC PARTNERSHIP

Chinese Premier Li Keqiang met with Prime Minister Hun Sen in early September, vowing to further promote their bilateral strategic partnership.

During their meeting on the sidelines of the 10th ASEAN-China Expo, which was set to run from Sept. 3-6 in Nanning, capital of south China's Guangxi Zhuang Autonomous Region,

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SAMDECH TECO HUN SEN APPOINTED AS PRIME MINISTER FOR NEW FIVE-YEAR TERM & NEW ROYAL GOVERNMENT'S FIVE-YEAR STRATEGY



His Majesty Norodom Sihamoni, King of Cambodia, appointed incumbent Prime Minister Hun Sen as the Prime Minister for the new five-year-term government after his ruling party won the July 28 election, and has duties to prepare the members of the Cambodian government in order to ask for the adoption of confidence from the National Assembly, according to a royal decree.

The Premier was sworn in as Prime Minister for another five-year term on September 24 after the parliament re-elected him as the Prime Minister and approved the formation of a new government under the leadership of Prime Minister Hun Sen.

The Premier, along with his newly-approved cabinet members, took an oath at the Royal Palace under the auspices of His Majesty Norodom Sihamoni, and leaders of Buddhist monks Tep Vong and Bour Kry.

The appointment came after His Majesty Norodom Sihamoni presided over the opening session of the fifth legislature of the National Assembly, which was attended by sixty-eight elected lawmakers from the ruling Cambodian People's Party (CPP).

Speaking at the opening session of the fifth legislature of the National Assembly, the King congratulated all lawmakers for being elected by the Cambodian people in the July 28 election, His Majesty also urged all lawmakers to work closely in order to lead the Cambodian people to live in happiness, peace and stability in the context of ensuring freedom and human rights respect.

"To achieve these excellent duties, the Cambodian people should have highly-national unity and solidarity based on the implementation of democratic principles and rule of law that the kingdom has carried out since 1993," he said.

He added that the nation needed to further construct social justice to a higher level through more active reforms on legal and judicial systems.

"I hope that the fifth legislature of the National Assembly will function well and fulfil its duties successfully for the interest of the nation and the Cambodian people," he said.

Besides, foreign leaders and head of states from Bangladesh, Belarus, Brunei, China, Kuwait, Lao, Malaysia, Myanmar, Republic of Korea, Russia, Singapore, Thailand, and Vietnam have extended their congratulations to Prime Minister Hun Sen on his re-election.

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NEW ROYAL...

entrenching democracy and respect for human rights and dignity, the Premier said.

"The launching of the strategy expresses the government's strong commitment to ensuring sustainable development and poverty alleviation," he said.



CAMBODIA EXPECTS DOUBLE GROWTH IN RICE EXPORTS THIS YEAR

QUANTITY OF CAMBODIAN RICE EXPORTED FROM 2009-2013 (MT)

No	Months	2009	2010	2011	2012	2013
1	January	360	10,012	6,798	9,703	25,726
2	February	792	13,644	5,089	14,417	24,089
3	March	1,248	5,062	12,534	12,310	45,413
4	April	664	17,287	17,946	15,036	23,276
5	May	399	5,499	20,520	13,115	28,350
6	June	316	17,990	4,274	13,426	29,105
7	July	226	15,030	12,703	20,527	31,411
8	August	673	5,997	20,404	15,530	29,358
9	September	956	4,744	14,384	15,169	--
10	October	2,964	6,078	19,067	16,967	--
11	November	1,690	7,988	9,559	25,189	--
12	December	2,325	9,645	44,905	34,328	--
	Total	12,613	105,259	201,899	205,717	236,728

Source: Secretariat One Window Service (SOWS-REF) for rice export.

Cambodia has seen a remarkable rise in the exports of milled rice in the first eight months of the year due to increasing demand on international markets, official figures showed in September.

The data, from the single window secretariat for facilitating milled rice exports, recorded that the country has exported 236,728 tons of milled rice during January-August period this year, up 107 percent from 114,070 tons over the same period last year.

Seventy-two companies have exported Cambodian rice to 52 countries around the world, the

report said, adding that five main Cambodian rice importers are Poland, France, Malaysia, Thailand and China.

Cambodia was expected to export up to 400,000 tons of milled rice in 2013, up from about 205,000 tons last year, thanks to rising demand on international markets and the country's efforts in developing rice industry, Agriculture Minister Chan Sarun said late last month.

He said the Kingdom is likely to achieve the target of one-million-ton milled rice exports by 2015.

With over 80 percent of the population being farmers, the country produced 9.31 million tons

of paddy rice last year. Of this amount, besides local consumptions, it had around 3 million tons of milled rice left over for export this year.

Last year, the country earned 132 million U.S. dollars from rice exports, according to the Ministry of Commerce.

The Asian Development Bank recently has loaned 55 million U.S. dollars to Cambodia for rice commercialization program.

The program, which will run until 2019, would improve crop productivity, access to credit for paddy producers, rice millers and exporters, access to regional and international rice markets, and enhance national and household food security, the bank said in a statement.

Cambodian premier Jasmine rice won the 'World's Best Rice' Award at the global rice tasting competition during the World Rice Conference (WRC) organized by The Rice Trader (TRT) in Bali, Indonesia, from September 26-28, 2012.

DEAL SENDS MILLED RICE TO CHINA

In early September this year, during the China-ASEAN summit in the southwest Chinese city of Nanning, Cambodian State-owned Green Trade Company has signed an agreement with China's Shandong Meijing Rice Co. Ltd to secure an export of 100,000 tonnes of Cambodia's milled rice per year.

The shipping of the milled rice to China will start in early October, and 30,000 total tonnes will arrive by the end of this year.

Cambodia expects to export about 300,000 tonnes of milled rice to China per year, Minister of Commerce said in August last year.



Prime Minister Hun Sen (L) shakes hand with Chinese Prime Minister Li Keqiang (R) during the 10th ASEAN-China Expo.

CHINA, CAMBODIA VOW TO ADVANCE BILATERAL...

Li first congratulated the Cambodian People's Party on its victory in the country's general election.

Calling Cambodia "an important neighbour of close friendship," Li said China and Cambodia enjoy great political mutual trust, deepening cooperation in various areas and expanding common interests, and have become strategic partners that support and rely on each other.

China supports the development path Cambodia has chosen that accords with the country's national situation and is led by the Prime Minister Hun Sen, said Li.

He said China is willing to maintain high-level exchanges with Cambodia, enhance bilateral strategic communication, expand trade and investment, and cooperation in key areas like infrastructure construction,

agriculture and personnel training, and strengthen coordination in international and regional affairs.

Prime Minister Hun Sen, on behalf of the Cambodian government and the people, voiced appreciation of China's firm support and assistance.

The Premier said China has always been Cambodia's sincere friend and reliable partner, adding that the Cambodia is keen to maintain close communication with China and deepen mutually beneficial cooperation in order to lift the bilateral ties to a new height.

CAMBODIA TRADE VOLUME UP 20 PERCENT IN EIGHT MONTHS

The country's total import and export volume was valued at 10.45 billion U.S. dollars during the January-August period, up 20 percent from 8.67 billion U.S. dollars over the same period last year, according to figures from the Ministry of Commerce in September.

Export rose by 27 percent to 4.52 billion U.S. dollars, while import went up by 15 percent to 5.93 billion U.S. dollars, leading to a trade deficit of 1.41 billion U.S. dollars.

The country's main trading partners are the United States, European countries, China, South Korea, Japan, Thailand, Vietnam, Singapore and Malaysia.

The Nation's economy is supported by garment exports, tourism, agriculture and construction.

Garment products accounted for more than 80 percent of the country's total exports.



NEARLY 2000 NEW BUSINESSES REGISTERED IN 8 MONTHS

The Ministry of Commerce reported in September that it had issued operating licenses to 1,952 new companies from January to August of the year, down 15 percent compared with the 2,300 firms over the same period last year.

During this period, the ministry had registered 963 foreigner-owned firms and 989 Cambodian-possessed companies.

Foreign companies are mostly run by Chinese, South Koreans, Japanese, Malaysian and Vietnamese and operate businesses in garment and textile, footwear, agriculture, agroindustry, tourism, and construction.

Kong Putheara, chief of the ministry's statistics and planning department, attributed the decline to political impasse after the July 28 election.

"However, I am optimistic that more companies will open in the country when a new government is formed," he said.



CAMBODIA'S CONSTRUCTION CONTINUES STRONG GROWTH

Investments in the country's construction sector have continued to grow sharply in the first six months of the year, reported Im Chhun Lim, Minister of Land Management, Urban Planning and Construction.

The country has received a total investment of 1.94 billion U.S. dollars during the January-June period this year, up 123 percent compared with the 870 million U.S. dollars at the same period last year, he said during the opening of an international exposition on real estate and construction.

He said currently, 571 construction companies have been operating in the kingdom.

"We have observed that the investment in construction sector has continued a remarkable rise in recent years thanks to full peace and security and preferential business environment for investors," he said.

Pung Kheav Se, chairman of the Cambodia constructors Association, said that modern high-rise buildings such as commercial and office buildings, banks, shopping malls, hotels, and residential units have been mushrooming in Phnom Penh, the capital of Cambodia.

Cambodian real estate and construction has bounced back in the last three years after it was hit the worst by the global financial crisis in 2008.



According to the ministry's reports, the investments in real estate development had declined from 3.1 billion U.S. dollars in 2008 to 1.98 billion U.S. dollars in 2009 and further drop to 840 million U.S. dollars in 2010.

However, the sector started to increase again in 2011 to 1.2 billion U.S. dollars and further grew to 2.1 billion U.S. dollars in 2012.

Construction is one of the four pillars supporting the Kingdom's economy. Top ten countries and regions investing in the real estate and construction are South Korea, China, Britain, Thailand, Russia, Japan, Malaysia, China's Taiwan, India and Vietnam.

In early September, Hongkong Land broke ground on a 100 million U.S. dollars mixed-use development project in Phnom Penh's financial hub. Called Landmark, the building by the Hong Kong-based property group will be on a 10,700-square meter site near the capital's Freedom Park.

The Landmark property will comprise 16 levels of office space, four levels of luxury retail space and three levels of underground parking when completed in 2016, said the firm's statement released during the ground-breaking ceremony.

LANDMARK' \$100 MILLION PROJECT GETS UNDER WAY

A 20-story retail and office building development opposite Phnom Penh's Freedom Park by U.K.- based Hongkong Land Ltd. (HKL) is being built and broke ground in early September on a \$100 million mixed-use development project in Phnom Penh's financial district.

The \$100-million Landmark project lies between streets 102 and 106 and will feature four floors of retail space and 16 floors of office space.

Hongkong Land Called Landmark, the building by the Hong Kong-based property group will be on a 10,700-square metre site on Street 106 near the capital's Freedom Park.

"One of Hongkong Land's core strengths is developing and managing high-quality office and luxury retail concepts for long-term revenue generation," executive director Robert Garmant said.



British Ambassador Mark Gooding (2nd from Left) attended the Ground-breaking Ceremony at the construction site.

"We believe the growth in Cambodia's economy and property market will attract long-term institutional investors as well as foreign and domestic businesses."

The Hong Kong group entered the Cambodian property market this March with the launch of Central Mansions, a serviced apartment building behind Vattanac tower.

The Landmark property will have 16 levels of office space, four levels of luxury retail space and three levels of underground parking when completed in late 2016.

"We are confident that it will offer exceptional business, shopping, and dining experiences in the city," Garman added. "The premium shopping mall will also allow global brands and leading restaurateurs to gain a foothold in Cambodia"

GARMENT EXPORTS RECORDED 21 PERCENT RISE IN FIRST 8 MONTHS



Cambodia's garment industry in the first eight months of the year recorded 3.65 billion U.S. dollars in export value, up 21 percent from 3.01 billion U.S. dollars over the same period last year, the Ministry of Commerce reported.

Cambodian apparels are mostly sold to the United States and European countries, with some to Canada, Japan, South Korea and China, said the ministry's report.

The garment industry accounted for about 80 percent of the country's total exports.

Currently, the sector is comprised of about 500 factories with some 510,600 workers, with a worker's monthly minimum wage being 80 U.S. dollars.

CAMBODIA'S BANKING SECTOR SEES GROWTH IN 7 MONTHS



Cambodia's banking industry has seen 8 percent rise in loan and 4 percent increase in deposit over the first seven months of the year thanks to better economic situation and public confidence in the sector, a central bank official said in early September.

The National Bank of Cambodia (NBC) reported the kingdom's 34 commercial banks had provided a total loan of 6.38 billion U.S. dollars to customers by July this year, up 8 percent from 5.88 billion U.S. dollars at the end of last year.

The loans mainly went to trade, agriculture, manufacturing, construction, hotels and restaurants, mortgages and real estate.

On the deposit side, it said by July this year, the banks had received a total deposit of 6.4 billion U.S. dollars, up 4 percent from 6.16 billion U.S. dollars at the end of last year.

Even though there was a general election in July, the banking industry still continues to grow, and it believes that the growth will continue throughout the rest of the year if the ongoing dispute over the election results is peacefully resolved.

Cambodia has the population of about 14.7 million with its banking sector serving about 1.6 million borrowers and 1.9 million depositors, the NBC said.

JAPAN MIZUHO BANK LINKS UP WITH MAYBANK AND CANADIA



Japan-based Mizuho Bank (MHBK) has signed an agreement with two well-established banks in Cambodia that is designed to help Mizuho leverage a wider range of financial services when dealing with Japanese clients.

The memorandum of understanding was inked in Phnom Penh between Mizuho's president and CEO, Yasuhiro Sato, Maybank (Cambodia) CEO Lee Tien Poh, and Canadia Bank CEO Michael Lor.

In July, MHBK, one of the largest banks in Japan, opened a Phnom Penh representative office – the usual first step for banks looking to establish local branches in other countries.

Mizuho Bank is now the third Japanese mega-bank with a representative office in Phnom Penh. The other two are Tokyo-Mitsubishi UFJ Bank and Simitomo Mitsui Banking Corporation.

Earlier in May, Tokyo-Mitsubishi UFJ signed a similar agreement with Canadia.

In the past couple of years, Japanese investment in Cambodia has surged. Data from the Japanese embassy in Phnom Penh shows that investment totalled \$330 million in 2012, a big jump from the \$75 million in 2011.

At the end of March, there were 115 members of the Japanese Business Association of Cambodia, compared to 101 at the end of 2012.

The Japanese-funded, 68,000-square-metre Aeon mega-mall is expected to open next to Phnom Penh's Sofitel hotel in July of 2014.

In September, Japan's JCB International Co. Ltd. (JCBII), the only global payment brand based in Japan, expands its businesses in Cambodia by signing an agreement with Singapore Banking Corporation Ltd. (Cambodia) for JCB card issuing.

The acceptance of JCB cards will open up a world of financial freedom of JCB cardmembers visiting Cambodia for business or pleasure whereby JCB cardmembers can use their cards at over 500 SBC bank merchants as well as over 100 SBC Bank ATMs by the end of 2013.

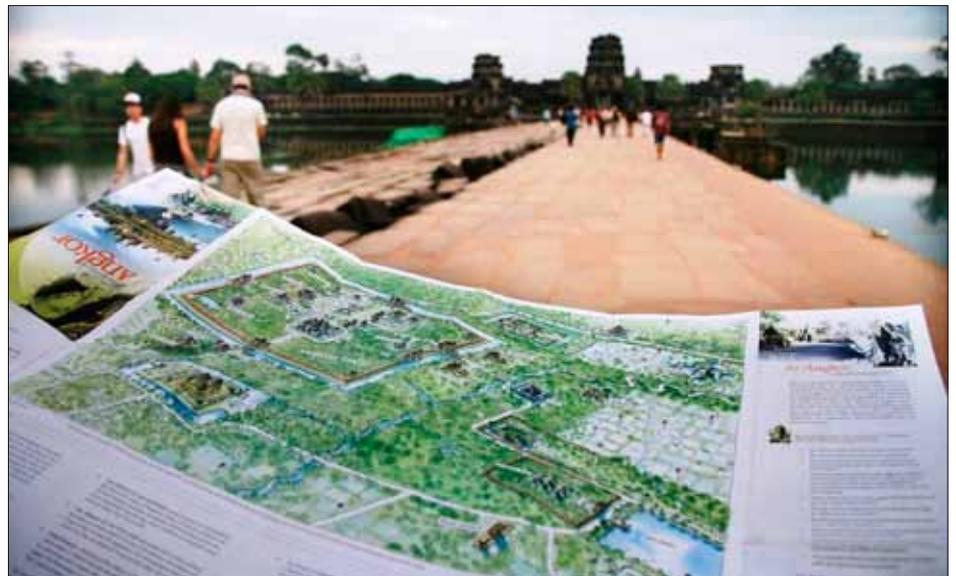
FOREIGN TOURISTS VISITING CAMBODIA UP 19 PERCENT IN 7 MONTHS

Cambodia has welcomed 2.43 million international tourists in the first seven months of the year, up 19 percent compared with the 2.04 million tourists over the same period last year, the figures of the Ministry of Tourism.

During the January-July period this year, Vietnam topped the chart among the top ten arrivals to Cambodia with 508,200 visitors, up 12 percent year-on-year, followed by South Korea with 268,300 visitors, up 5 percent, and China with 267,500 tourists, up 49 percent, showed the figures.

Its neighbouring countries, Laos and Thailand, ranked No. 4 and 5 respectively. About 222,000 Laotians and 130,000 Thais visited Cambodia during the period, up 74 percent and 23 percent respectively. Other foreign visitors were Americans, Japanese, French, Russians, Australians, and British.

About 47 percent of visitors came to Cambodia by air, 51 percent by land and the rest by water ways.



The tourism sector has seen a steady growth even in July though the country held a general election.

The Ministry foresees the sector could attract up to 4.1 million foreigners this year.

On the host side, Cambodians traveling abroad also increased by 11.9 percent. There were 509,050 Cambodians traveling abroad in the first seven months of 2013, according to a report by the Ministry of Tourism. Most of them visited Thailand, Vietnam, Singapore, Malaysia and Hong Kong, the report said.

The nation is well-known for its 12th century Angkor Wat Temple, a world heritage site, which is situated about 315 km northwest of Phnom Penh, the capital of Cambodia.

Besides, the country has a pristine coastline, which is one of the world's most beautiful bays. It stretches in the length of 450 km in four southwestern provinces of Koh Kong, Preah Sihanouk, Kampot and Kep.

RATTANAK KIRI PROVINCE: THE HIDDEN GEM OF CAMBODIA



Ratanakiri made up from two Cambodians words, Ratanak, (which means jewels), and Kiri, (mountains). Quite literally, it means "the land of Mountains and Jewels."

Ratanak Kiri is the mountainous northeastern frontier province of Cambodia that borders Laos to the north, Vietnam to the east, Mondul Kiri Province to the south, and Stung Treng Province to the west. It extends from the mountains of the Annamite Range in the north, across a

plateau between the Tonle San and Tonle Srepok rivers. Famed for its stunning natural beauty and ethnic diversity, Ratanak Kiri is full of natural and cultural treasures just waiting to be discovered. Its capital is Banlung City.

MONDUL KIRI PROVINCE



To the south of Ratanak Kiri is Mondul Kiri, the most sparsely populated province in Cambodia, despite being the largest in land area. This province is known for its thickly-forested hills, verdant landscapes, and cascading waterfalls. Its capital is Sen Monorom.

STUNG TRENG PROVINCE

Stung Treng is a beautiful province located on a high sandy bank overlooking the Mekong River. It is about 455 km from Phnom Penh some 40 km to the Laos border. This charming city is linked to Banlung (Ratanak Kiri) and is more than just a 'stopover'. The Sekong Bridge, itself an attraction, serves as a convenient passage to the border of Laos.

Stung Treng province is also famous for sweet tamarind Pa Si Yi fish, a local delicacy enjoyed by many tourists.



KRATIE PROVINCE



Kratie Province, located on the east bank of the Mekong River, attracts a fair share of visitors, many of whom wish to catch a glimpse of the last few Irrawaddy Dolphins left in the world. The recommended place to see them is Kampi Village, about 15 kilometers from town. Irrawaddy Dolphins are an endangered species and are extremely rare; it is estimated there are only about 60 living in this stretch of the river.

The town of Kratie offers an authentic rural ambience, and therefore serves as the perfect

place to spend a peaceful night or two. It is a nice relief from some of the country's more trafficked areas.

There numerous sites to visit in Kratie. Phnom Sombok is a small temple located on a hill north of town. A long flight of steps lead into a pavilion of Phnom Sombok that features detailed photos of afterlife punishments to those who have sinned in the present life. Wat Roka Kandal is a restored pagoda with an ancient Lao style 'Stupa' on the riverfront

about 2 kilometers from the town center. Nearby lies a more modern pagoda where chanting of the monks can be heard at dawn and in the evenings. About 15 kilometers from town, there is a large Cham community. This is known locally as the 'basket-weaving' village; it is the biggest in Kratie with over 4000 villagers living here.

A popular end-of-the-day activity in Kratie is to relax by the riverfront to watch the sun set.